

## § 456.614

### § 456.614 Inspections by utilization review committee.

A utilization review committee under subparts C through F of this part may conduct the periodic inspections required by this subpart if—

(a) The committee is not based in the facility being reviewed; and

(b) The composition of the committee meets the requirements of this subpart.

### Subpart J—Penalty for Failure To Make a Satisfactory Showing of an Effective Institutional Utilization Control Program

**AUTHORITY:** Secs. 1102 and 1903(g) of the Social Security Act (42 U.S.C. 1302 and 1396 b(g)).

**SOURCE:** 44 FR 56338, Oct. 1, 1979, unless otherwise noted.

#### § 456.650 Basis, purpose and scope.

(a) *Basis.* Section 1903(g) of the Act requires that FFP for long-stay inpatient services at a level of care be reduced, by a specified formula, for any quarter in which a State fails to make a satisfactory showing that it has an effective program of utilization control for that level of care.

(b) *Purpose.* This subpart specifies—

(1) What States must do to make a satisfactory showing;

(2) How the Administrator will determine whether reductions will be imposed; and

(3) How the required reductions will be implemented.

(c) *Scope.* The reductions required by this subpart do not apply to—

(1) Services provided under a contract with a health maintenance organization; or

(2) Facilities in which a QIO is performing medical and utilization reviews under contract with the Medicaid agency in accordance with § 431.630 of this chapter.

[44 FR 56338, Oct. 1, 1979, as amended at 50 FR 15327, Apr. 17, 1985; 51 FR 43198, Dec. 1, 1986]

#### § 456.651 Definitions.

For purposes of this subpart—

*Facility*, with respect to inpatient psychiatric services for individuals under 21, includes a psychiatric pro-

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gram as specified in § 441.151 of this chapter.

*Level of care* means one of the following types of inpatient services: hospital, mental hospital, intermediate care facility, or psychiatric services for individuals under 21.

*Long-stay services* means services provided to a beneficiary after a total of 60 days of inpatient stay (90 in the case of mental hospital services) during a 12-month period beginning July 1, not counting days of stay paid for wholly or in part by Medicare.

[43 FR 45266, Sept. 29, 1978, as amended at 61 FR 38399, July 24, 1996]

#### § 456.652 Requirements for an effective utilization control program.

(a) *General requirements.* In order to avoid a reduction in FFP, the Medicaid agency must make a satisfactory showing to the Administrator, in each quarter, that it has met the following requirements for each beneficiary:

(1) Certification and recertification of the need for inpatient care, as specified in §§ 456.60, 456.160, 456.360 and 456.481.

(2) A plan of care established and periodically reviewed and evaluated by a physician, as specified in §§ 456.80, 456.180, and 456.481.

(3) A continuous program of utilization review under which the admission of each beneficiary is reviewed or screened in accordance with section 1903(g)(1)(C) of the Act; and

(4) A regular program of reviews, including medical evaluations, and annual on-site reviews of the care of each beneficiary, as specified in §§ 456.170, and 456.482 and subpart I of this part.

(b) *Annual on-site review requirements.*

(1) An agency meets the quarterly on-site review requirements of paragraph (a)(4) of this section for a quarter if it completes on-site reviews of each beneficiary in every facility in the State, and in every State-owned facility regardless of location, by the end of the quarter in which a review is required under paragraph (b)(2) of this section.

(2) An on-site review is required in a facility by the end of a quarter if the facility entered the Medicaid program during the same calendar quarter 1 year earlier or has not been reviewed since the same calendar quarter 1 year